

Message Text

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PAGE 01 BONN 06978 151950 Z

47

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 STR-08

TRSE-00 LAB-06 SIL-01 OMB-01 AGR-20 SS-15 NSC-10 L-03

RSR-01 /151 W

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R 151937 Z MAY 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5053

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

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PASS AGRICULTURE

E. O. 11652: GDS

TAGS: EAGR, GW

SUBJECT: MINIMUM IMPORT PRICE SYSTEM FOR PROCESSED FRUIT
AND VEGETABLES

REF: STATE A-046171 OF MARCH 14

1. BEGIN SUMMARY: AS A FOLLOW UP TO OUR POSITION PAPER
OF MARCH 14 TO THE MINISTRY OF AGRICULTURE REGARDING A
MINIMUM IMPORT PRICE SYSTEM FOR PROCESSED FRUITS AND
VEGETABLES WE HAVE (BEFORE THIS WEEK' S COUNCIL OF
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PAGE 02 BONN 06978 151950 Z

MINISTERS MEETING) AGAIN, ON MAY 11, REITERATED THE U. S. POSITION AND DISCUSSED THIS MATTER WITH THE DIRECTLY-RESPONSIBLE FEDMINAGR OFFICIAL. ACCORDING TO HIS ACCOUNT; THE EC COMMISSION, AFTER STUDYING SEVERAL PROPOSALS AND SOLUTIONS, HAS RETURNED TO A SYSTEM OF MINIMUM IMPORTPRICES SIMILAR TO ORIGINAL PROPOSALS. THIS IS CONSIDERED THE ONLY CONCEIVABLE SOLUTION TO THE EC' S NEED FOR A CERTAIN AMOUNT OF PROTECTION AFTER COMPLETE LIBERALIZATION OF ALL PROCESSED FRUIT AND VEGETABLE PRODUCTS AND HARMONIZATION OF TRADE POLICY IN THIS FIELD. EMBASSY REPRESENTATIVES WERE ASSURED THAT THE FRG FULLY RECOGNIZES THE SENSITIVITY OF THIS QUESTION AND IS STRIVING FOR THE LEAST RESTRICTIVE SYSTEM POSSIBLE. HOWEVER, BECAUSE OF LOW PRICE SHIPMENTS OF CERTAIN PRODUCTS FROM A NUMBER OF EAST BLOC AND MEDITERRANEAN COUNTRIES SOME MINIMUM PROTECTIVE SYSTEM MUST BE INTRODUCED. END SUMMARY.

2. THE FRG, THOUGH, RECOGNIZING THAT THE US IS NOT DISRUPTING EC MARKETS, IS NOT FAVORING A SOLUTION WHICH WOULD RESTRICT IMPORT LIMITATION TO ONLY CERTAIN GROUPS OF COUNTRIES. SUCH A SOLUTION COULD BE REGARDED AS DISCRIMINATION.

3. THE PREENT FRG POSITION IS THAT AT FIRST A LIST OF SO- CALLED CRITICAL PRODUCTS MUST BE ESTABLISHED. THE FRG OFFICIAL ASSURED EMBASSY REPRESENTATIVES THAT THE CRITERIA APPLIED WILL BE VERY TIGHT AND INCLUDE ONLY THOSE FEW PRODUCTS WHICH ARE IMPORTED IN LARGE QUANTITIES AT PRICES ACTUALLY ENDANGERING EC PRODUCTION. SO FAR, IT IS ONLY CERTAIN THAT GREEN PEAS WILL BE ON THIS LIST; ALSO THE FRG CONTENTS IT IS PROTECTING US INTEREST IN THIS AREA BY STRONGLY OPPOSING ANY ITEMS WITH A MAJOR US INTEREST SUCH AS PINEAPPLE, CLING PEACHES AND " ASPARAGUS"/

4. THE OFFICIAL ALSO CONTENTED THAT A MINIMUM PRICE SYSTEM AS PRESENTLY PLANNED I. E. LIMITED TO A FEW PRODUCTS WITH THE MINIMUM PRICES ESTABLISHED BELOW RESPECTIVE AVERAGE PRICES DURING A REFERENCE PERIOD WOULD NOT VIOLATE GATT. EMBASSY REPRESENTATIVES LIMITED OFFICIAL USE

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PAGE 03 BONN 06978 151950 Z

REJECTED THIS VIEW AND STRESSED PAST EXPERIENCE WITH THE REFERENCE PRICE SYSTEM AS WELL AS GATT RIGHTS AND PRINCIPLES.

5. EMBASSYOFFICERS ALSO WERE INFORMED THAT IN EEC MINISTERIAL MEETINGS ON THIS SUBJECT, THE FRG WOULD:

1. INSIST THE QUESTION OF MINIMUM IMPORT PRICES BE

REFERRED BACK TO COMMITTEES WITH INSTRUCTIONS TO
ESTABLISH A LIST OF REALLY CRITICAL PRODUCTS, APPLYING
VERY TIGHT MEASURES; AND 2. REJECT THE COMMISSION-
PROPOSED ESTABLISHMENT OF PRELIMINARY MINIMUM IMPORT
PRICES FOR CERTAIN PRODUCTS FROM MEDITERRANEAN
COUNTRIES. THE FRG CONTENDS THAT NO MINIMUM IMPORT
PRICES SHOULD BE ESTABLISHED UNTIL AGREEMENT IS REACHED
CONCERNING TOTAL LIBERALIZATION AND ALL
RELATED QUESTIONS. THE MINAG OFFICIAL DOES NOT EXPECT
SUCH AGREEMENT BEFORE THE END OF THIS YEAR.
HILLENBRAND

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COPENHAGEN
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LONDON
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